

Message Text

LIMITED OFFICIAL USE POSS DUPE

PAGE 01 VIENNA 04902 311646Z

61

ACTION EUR-25

INFO OCT-01 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02

COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 NEA-14 JUSE-00

PRS-01 DRC-01 /169 W

----- 104538

R 311457Z MAY 74

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 2979

INFO USMISSION OECD PARIS

LIMITED OFFICIAL USE VIENNA 4902

STATE ALSO FOR T/IEP

E.O. 11652: N/A

TAGS: ENRG, OPEC, AU

SUBJECT: REACTIONS OF OPEC SEC GEN KHENE TO
HIS VISIT IN WASHINGTON

1. SUMMARY: DURING LUCH CONVERSATION WITH AMBASSA-
DOR, SEC GEN KHENE GAVE HIS IMPRESSIONS ABOUT
WASHINGTON VISIT. HE WAS VERY PLEASED BY PROGRAM
ARRANGED FOR HIM. ALTHOUGH HE APPEARED TO HAVE GAINED
BETTER UNDERSTANDING OF OUR THINKING ON ENERGY
PROBLEMS, IT WAS EVIDENT THAT CONSIDERABLE DIFFERENCES
REMAIN BETWEEN KHENE'S PHILOSOPHY AND THAT OF USG.

2. AMBASSADOR AND ECONCOUNS MET DR. ABDERRAHMANE
KHENE FOR LUCH AND INFORMAL CHAT ABOUT KHENE'S VISIT
IN WASHINGTON. KHENE, WHO APPEARED MORE RELAXED THAN
USUAL, SAID HE HAD ENJOYED HIS VISIT ENORMOUSLY, FOUND
IT MOST INSTRUCTIVE AND STIMULATING, AND EXPRESSED

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 VIENNA 04902 311646Z

GREAT SATISFACTION WITH SCHEDULE ARRANGED FOR HIM. HE
APPRECIATED TIME TAKEN BY VARIOUS SENIOR US OFFICIALS.

SOME OF THEM, HE OBSERVED, MUST HAVE BEEN UNDER CONSIDERABLE PRESSURE IN VIEW OF TERRORIST INCIDENT IN ISRAEL AT MAALOT. HE ALSO EXPRESSED PLEASURE ABOUT DINNER-SEMINAR ORGANIZED BY OVERSEAS DEVELOPMENT COUNCIL, NOTING THAT GROUP HAD INCLUDED IMPORTANT WASHINGTON ANALYSTS AND WILLIAM DALE OF IMF.

3. RE SUBSTANCE OF HIS DISCUSSIONS, KHENE FELT THAT THERE WERE OBVIOUSLY CONSIDERABLE DIFFERENCES BETWEEN HIMSELF AND USG OFFICIALS IN THEIR PERCEPTIONS OF WORLD'S ENERGY PROBLEMS. HIS PHILOSOPHY WAS BASED ON LONG-RANGE CONSIDERATIONS THAT TAKE INTO ACCOUNT BOTH CONSERVATION OF OIL RESOURCES AND DEVELOPMENT NEEDS OF PRODUCING COUNTRIES, WHEREAS IMPRESSION HE HAD GAINED IN WASHINGTON WAS THAT USG FOCUS WAS PRIMARILY SHORT-TERM. HE FELT OUR CONCERN WAS MORE ON MATTER OF PRICE AND PROBLEM OF INFLATION.

4. AMBASSADOR NOTED THAT QUESTION OF PRICE WAS ALSO IMPORTANT FOR LDC'S SINCE BALANCE OF PAYMENT PROBLEMS HAVE GREAT INFLUENCE ON THEIR DEVELOPMENT. KHENE RESPONDED THAT OPEC COUNTRIES WERE DEALING WITH THIS PROBLEM BY OFFERING A "BETTER PRICE" TO LDC'S THROUGH FAVORABLE CREDIT ARRANGEMENTS, AGAIN HINTING AT TWO-TIER PRICING SYSTEM. FURTHERMORE, INDIVIDUAL OPEC COUNTRIES ALREADY WERE MOVING IN DIRECTION OF BILATERAL ASSISTANCE. KHENE CONTINUED AT SOME LENGTH TO SPELL OUT HIS IDEA OF RIDDING LDC'S OF THEIR DEBT BURDEN WHICH HE FELT WAS EXCLUSIVE RESPONSIBILITY OF DEVELOPED COUNTRIES AND INTERNATIONAL FINANCIAL INSTITUTIONS. HE REPEATED HIS PROPOSAL OF WRITING OFF LDC DEBTS AS BEST WAY TO DEAL WITH THEIR BALANCE OF PAYMENT PROBLEMS AND SUGGESTED ANNUAL PAYMENTS BY DEVELOPED COUNTRIES OF ONE PERCENT OF THEIR GNP'S TO THIS END. HE MENTIONED THAT PRESENT US AID PROGRAMS FOR LDC'S WERE LESS THAN ONE PERCENT OF US GNP. HE SAID HE HAD EXPLORED THESE THOUGHTS WITH PRESIDENT MCNAMARA OF WORLD BANK DURING VISIT.

LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 03 VIENNA 04902 311646Z

5. WE ASKED KHENE WHETHER HE HAD ANY FURTHER THOUGHTS ABOUT PRODUCERS-CONSUMERS DIALOGUE. HIS RESPONSE WAS CAUTIOUS AS IT HAD BEEN IN WASHINGTON AND INDICATED THAT HE DISTINCTLY PREFERRED A MEETING BETWEEN OPEC AND OECD. HE SAID THIS SUBJECT WAS NOT ON AGENDA FOR FORTHCOMING QUITO MINISTERIAL MEETING. ASKED WHETHER HE WOULD REPORT ON HIS WASHINGTON VISIT AT QUITO, HE FIRST SAID NO BUT THEN ADDED HE WOULD SAY A FEW WORDS ABOUT VISIT BUT NOT MAKE A FORMAL REPORT. HE THEN MENTIONED WORK BEING DONE BY CONSULTANTS ON VARIOUS

STUDIES, INCLUDING ONE BY GENEVA BRANCH OF BATTELLE INSTITUTE, BUT DID NOT INDICATE WHETHER OPEC SECRETARIAT WOULD EMPLOY FURTHER CONSULTANTS IN NEAR FUTURE.

6. ON SUBJECT OF HIS TRAVELS, KHENE SAID HE HAD NO PLANS TO VISIT SOVIET UNION OR OTHER EASTERN EUROPEAN COUNTRIES.

7. AS FOR HIS OWN FUTURE AS SECRETARY GENERAL, KHENE SAID HE DID NOT FEEL THAT HE WOULD BE REELECTED AT CONCLUSION HIS PRESENT TERM AT END OF 1974. HE WOULD LIKE TO MAKE (FURTHER CONTRIBUTION TO WORLD'S ENERGY PROBLEMS" AND TO HELP PRODUCING COUNTRIES BUT IMPLIED THAT MEMBER COUNTRIES WOULD PROBABLY ELECT A NEW PERSON. AMBASSADOR WONDERED WHETHER CONTINUITY AND EXPERIENCE WOULD NOT BE TAKEN INTO ACCOUNT BY OPEC MEMBERS AND THUS BRING ABOUT REELECTION OF PRESENT INCUMBENT. KHENE REPLIED HE DID NOT FEEL THIS FACTOR WOULD PLAY SIGNIFICANT ROLE IN THE DELIVERATION OF MEMBER OF COUNTRY MINISTERS SINCE THEY ALL WANTED PRESTIGE OF SECRETARY GENERALSHIP.

8. COMMENT: IT IS CLEAR THAT KHENE WAS VERY PLEASED AND WELL SATISFIED WITH PROGRAM ARRANGED FOR HIM IN WASHINGTON. ALTHOUGH HE UNDOUBTEDLY GAINED BETTER UNDERSTANDING OF USG'S THINKING ON ENERGY SUBJECTS, IT IS EVIDENT THAT A CONSIDERABLE GULF REMAINS BETWEEN KHENE'S APPROACH TO ENERGY ISSUES AND THAT OF USG. HIS FREQUENT MENTION THAT HIS DIALOGUE IN WASHINGTON WAS AN UNOFFICIAL ONE REFLECTS THE REALITY THAT THERE ARE VAST DIFFERENCES OF OPINION
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 04 VIENNA 04902 311646Z

AMONG OPEC MEMBER COUNTRIES. WE BELIEVE THIS EXPLAINS IN LARGE MEASURE HIS GREAT RELUCTANCE TO COMMENT ON QUESTION OF A CONSUMER-PRODUCER DIALOGUE. IN ADDITION KHENE REMAINS WEDDED TO IDEA THAT CONSUMERS MUST INCLUDE BOTH DC'S AND LDC'S AND THAT UN ORGANIZATIONS ARE BETTER FORUMS FOR DIALOGUE. OPEC IS OBVIOUSLY FAR FROM ENTHUSIASTIC ABOUT A MEETING WITH ONLY DEVELOPED CONSUMER COUNTRIES.

9. ACTION REQUESTED: KHENE SAID HE DID NOT HAVE A COMPLETE LIST OF ALL OFFICIALS HE HAD MET IN WASHINGTON AND WOULD APPRECIATE IF DEPARTMENT COULD FURNISH HIM SUCH A LIST WITH TITLES AND RESPONSIBILITIES. REQUEST DEPARTMENT CABLE LIST TO EMBASSY FOR TRANSMITTAL TO HIM.MOWINCKEL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PERSONAL OPINION, VISITS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974VIENNA04902
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740138-0776
From: VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974051/aaaaaahb.tel
Line Count: 166
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 27 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 MAR 2002 by collinp0>; APPROVED <08 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REACTIONS OF OPEC SEC GEN KHENE TO HIS VISIT IN WASHINGTON
TAGS: ENRG, AU, US, OPEC, (KHENE)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005